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November 23, 1999

Ms. Susan M. Hudson, Clerk  
Vermont Public Service Board  
Chittenden Bank Building, Fourth Floor  
112 State Street, Drawer 20  
Montpelier, Vermont 05620

Re: Petition of Central Vermont Public Service Corporation and  
Green Mountain Power Corporation requesting an investigation into  
the Establishment of Retail Access Policies and Procedures

Dear Ms. Hudson:

On March 3, 1999, Central Vermont Public Service Corporation and Green Mountain Power Corporation (together the "Companies") filed with the Public Service Board (the "Board") the outlines of a comprehensive plan to restructure a significant portion of Vermont's electric utility industry (Docket No. 6140).

The Companies have made significant progress on many of the elements of the March 3 plan. Most notably, the energy efficiency utility has been approved by the Board, the sale of Vermont Yankee is complete pending regulatory approval, Central Vermont Public Service and several municipal utilities have made recommendations to the Board regarding the high cost contracts between the state's agent and the Independent Power Producers, and the Companies are now developing the process by which we expect to auction the Hydro-Quebec contract. (In a separate proceeding unrelated to restructuring, the Vermont Joint Owners are also seeking the resiliation of the Hydro-Quebec contract before an international arbitration panel based on evidence that Hydro-Quebec's transmission system was not designed, operated or maintained consistent with the terms of the VJO's contract.)

Today, we are following through on our commitment in the March 3 filing to address the specific policy and operating issues created by the voluntary opening of our franchises to other companies desiring to sell electricity to our customers. Enclosed for filing please find the original and nine (9) copies of the joint petition of the Companies requesting that the Board open an investigation into the establishment of retail access policies and procedures to be implemented by the Companies as part of our restructuring plan.

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With this Petition, we are asking the Board to initiate a collaborative process with all interested parties to develop the ground rules for the introduction of retail access and customer choice within the Companies' service areas. We recommend the Board convene a series of informal working groups on the many policy questions raised by this petition, including the scope of service to be provided by the Companies' under retail access (billing, metering, etc.), customer enrollment procedures, and transition and default services.

We recommend a careful and prudent approach to customer choice that is guided by the experience of other states and tailored to Vermont's specific needs. Our approach advances the goals established by the Vermont Principles on Electric Industry Restructuring contained in the Board's Order of June 24, 1999 in Docket No. 6140-a. Where appropriate, we have provided the Board with options for consideration and specific recommendations in an effort to stimulate dialogue in the individual work groups.

As noted above, the Companies' efforts to maximize the reduction of above market costs is ongoing. In recognition that the Board and interested parties will want to review the outcome of our mitigation efforts prior to the Board taking action on the issues raised in this petition, we are proposing a September 1, 2001 implementation date for customer choice. This should provide ample time for the Companies to complete our efforts to cut power costs well in advance of the Board making final decisions on customer choice. It will also allow time for the Legislature to take any complementary actions it deems appropriate to promote the public interest.

In addition to the Petition and accompanying Memorandum of Law, the filing contains a *proforma* Retail Open Access Tariff, a statement that demonstrates the plan's compliance with the Vermont Restructuring Principles, a statement that identifies the specific processes proposed for the initial stages of this docket, and preliminary conformed tariffs for the Companies' provision of delivery services. Introductory testimony from William Deehan is also included. This testimony provides an overview of the issues and policy recommendations offered by the Companies.

Should you have any questions concerning this filing, please do not hesitate to contact me.

Respectfully submitted,

MLS/m  
Cc: James Volz, Esq.